

TOWNSHIP OF BURNS
SHIAWASSEE COUNTY
FINANCIAL STATEMENTS
MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of Burns	County Shiawassee
Audit Date 3/31/04	Opinion Date 7/19/04	Date Accountant Report Submitted to State: 8/3/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Accounting System for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Demis and Wenzlick, P.C.			
Street Address 217 N. Washington St.		City Owosso	State MI
Accountant Signature <i>Geraldine Levy CPA</i>		ZIP 48867	Date 8-3-04

TABLE OF CONTENTS

ACCOUNTANT'S REPORT	1 - 2
AUDITED FINANCIAL STATEMENTS	
Combined Balance Sheet - All Fund Types and Account Groups	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual	5
Combined Statement of Changes in Assets and Liabilities - All Agency Funds	6
Notes to Financial Statements	7 - 13
FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS	
General Fund:	
Comparative Balance Sheet	14
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	15 - 17
Special Revenue Funds:	
Combining Balance Sheet	18
Comparative Combining Statement of Revenues, Expenditures and Changes in Fund Balance	19
Fire Fund:	
Comparative Balance Sheet	20
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	21
Fire Equipment Fund:	
Balance Sheet	22
Statement of Revenues, Expenditures and Changes in Fund Balance	23

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

Ambulance Fund:

Comparative Balance Sheet	24
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	25

Fiduciary Fund:

Current Tax Collection Fund:

Comparative Balance Sheet	26
Comparative Statement of Cash Receipts and Disbursements	27

General Fixed Asset Account Group:

Schedule of General Fixed Assets	28
Schedule of Changes in General Fixed Assets	29



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Members of the Township Board
Township of Burns
Shiawassee County, Michigan

We have audited the accompanying general-purpose financial statements of the Township of Burns, Michigan, as of and for the year ended March 31, 2004. These general-purpose financial statements are the responsibility of the Township of Burns, Michigan's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Burns, Michigan, as of March 31, 2004, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the Township of Burns. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of July 19, 2004.

Dennis and Wengrich, P.C.

Certified Public Accountants

Owosso, Michigan
July 19, 2004

TOWNSHIP OF BURNS
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

	GOVERNMENTAL FUND TYPE		FIDUCIARY FUND TYPE	ACCT. GROUP
	GENERAL	SPECIAL REVENUE	TRUST & AGENCY	GENERAL FIXED ASSETS
ASSETS:				
Cash-Checking	\$ 1,963	\$ 4,385	\$13,523	\$ -0-
Cash - Savings	340,203	289,968	-0-	-0-
Taxes Rec.	8,224	17,359	-0-	-0-
Due from Other				
Funds	6,408	1,728	-0-	-0-
Fixed Assets	-0-	-0-	-0-	642,456
TOTAL ASSETS	<u>\$356,798</u>	<u>\$313,440</u>	<u>\$13,523</u>	<u>\$642,456</u>
LIABILITIES:				
Accts. Pay.	\$ 4,138	\$ 1,084	\$ -0-	\$ -0-
Due to Other				
Taxing Auth.	-0-	-0-	5,387	-0-
Due to Other				
Funds	-0-	-0-	8,136	-0-
TOTAL LIAB.	\$ 4,138	\$ 1,084	\$13,523	\$ -0-
FUND EQUITY:				
Inv. in General				
Fixed Assets	\$ -0-	\$ -0-	\$ -0-	\$642,456
Fund Balance	352,660	312,356	-0-	-0-
TOTAL FUND				
EQUITY	<u>\$356,798</u>	<u>\$312,356</u>	<u>\$ -0-</u>	<u>\$642,456</u>
TOTAL LIABILITIES				
AND FUND				
EQUITY	<u>\$356,798</u>	<u>\$313,440</u>	<u>\$13,523</u>	<u>\$642,456</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
REVENUES:		
Property Taxes	\$ 65,521	\$164,506
State Shared Revenues	205,893	-0-
Tax Administration Fees	16,554	-0-
Interest Income	3,656	2,434
Other	<u>10,868</u>	<u>10</u>
TOTAL REVENUES	\$302,492	\$166,950
EXPENDITURES:		
Township Board	\$ 13,179	\$ -0-
Supervisor	11,867	-0-
Elections	-0-	-0-
Assessor	18,212	-0-
Clerk	13,295	-0-
Board of Review	750	-0-
Treasurer	22,973	-0-
Building and Grounds	8,241	-0-
Library	1,100	-0-
Planning Commission	335	-0-
Cemetery	3,050	-0-
Insurance	8,965	-0-
Drains at Large	5,478	-0-
Roads	189,774	-0-
Street Lights	237	-0-
Recycling	900	-0-
Fire Protection	-0-	103,249
Ambulance Service	<u>-0-</u>	<u>58,600</u>
TOTAL EXPENDITURES	\$ <u>298,356</u>	\$ <u>161,849</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		
	\$ 4,136	\$ 5,101
Fund Balance April 1, 2003	<u>348,524</u>	<u>307,255</u>
FUND BALANCE AT MARCH 31, 2004	\$ <u>352,660</u>	\$ <u>312,356</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES.
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED MARCH 31, 2004

<u>GENERAL FUND</u>				<u>SPECIAL REVENUE FUND TYPES</u>		
REVENUES:	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET
Property Taxes	\$ 66,000	\$ 65,521	\$ 479	\$ 168,000	\$ 164,506	\$ 3,494
State Shared Revenues	200,000	205,893	(5,893)	0	0	0
Tax Admin. Fees	15,000	16,554	(1,554)	0	0	0
Interest Income	5,000	3,656	1,344	3,150	2,434	716
Miscellaneous		10,868	(10,868)		10	(10)
TOTAL REVENUES	\$ 286,000	\$ 302,492	\$ (16,492)	\$ 171,150	\$ 166,950	\$ 4,200
EXPENDITURES:						
Township Board	\$ 15,000	\$ 13,179	\$ 1,821	\$	\$	\$
Supervisor	12,000	11,867	133			
Elections	4,000	0	4,000			
Assessor	19,000	18,212	788			
Clerk	16,000	13,295	2,705			
Board of Review	800	750	50			
Treasurer	23,000	22,973	27			
Bldg. & Grounds	14,500	8,241	6,259			
Library	1,100	1,100	0			
Planning Comm.	1,000	335	665			
Cemetery	3,500	3,050	450			
Insurance	9,500	8,965	535			
Drains at Large	10,000	5,478	4,522			
Roads	195,000	189,774	5,226			
Street Lights	300	237	63			
Recycling	900	900	0			
Contingencies and			0			
Emergency Service	11,000	0	11,000			
Fire Protection				155,404	103,249	52,155
Ambulance Service				58,775	58,600	175
TOTAL EXPENDITURES	\$ 336,600	\$ 298,356	\$ 38,244	\$ 214,179	\$ 161,849	\$ 52,330
REVENUES OVER (UNDER)						
EXPENDITURES	\$ (50,600)	\$ 4,136	\$ (54,736)	\$ (43,029)	\$ 5,101	\$ (48,130)
Fund Balance 04/01/03	348,524	348,524	0	307,255	307,255	0
Fund Balance 03/31/04	\$ 297,924	\$ 352,660	\$ (54,736)	\$ 264,226	\$ 312,356	\$ (48,130)

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF BURNS
COMBINED STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED MARCH 31, 2004

	BALANCE <u>3-31-03</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE <u>3-31-04</u>
ASSETS:				
Cash	\$ <u>189,762</u>	\$ <u>1,529,898</u>	\$ <u>1,706,137</u>	\$ <u>13,523</u>
	\$ <u>189,762</u>	\$ <u>1,529,898</u>	\$ <u>1,706,137</u>	\$ <u>13,523</u>
LIABILITIES:				
Due to Other Funds	\$ 26,068	\$ 230,968	\$ 248,900	\$ 8,136
Due to Other Taxing Entities	<u>163,694</u>	<u>1,298,930</u>	<u>1,457,237</u>	<u>5,387</u>
	\$ <u>189,762</u>	\$ <u>1,529,898</u>	\$ <u>1,706,137</u>	\$ <u>13,523</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Township of Burns conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund type and broad fund categories as follows:

GOVERNMENT FUNDS

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organization, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All government funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Group, rather than in governmental funds. Public Domain ("infrastructure") general fixed assets consisting of certain improvements including buildings, other than roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. they are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General long-Term Debt Account Group.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include; (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

BUDGETS AND BUDGETARY ACCOUNTING

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the clerk submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Township to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through board approval.
4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

5. The budgets were amended during the year ended March 31, 2004. The fire funds budgeted expenditures were increased from \$75,300 to \$95,104). The general fund budgeted expenditures were increased from \$335,600 to \$336,600. The ambulance fund budgeted expenditures were increased from \$55,175 to \$58,775.

INVESTMENTS

Investments of the Township which consist of interest bearing bank accounts and bank certificates of deposit are stated at cost, which is market value.

COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the townships financial position and operations. However, comparative data (i.e. presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, transactions occur between individual funds for services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

COMPENSATED ABSENCES

The Township does not compensate employees for vacation time, sick time or any other absences.

POST-RETIREMENT HEALTH CARE BENEFITS

The Township does not provide post-retirement health care benefits.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the government fund types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no significant encumbrances at year end.

COMPONENT UNITS

The accompanying financial statements present the Township's primary government and component units over which the Township exercises significant influence. Significant influence was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the Township to finance any deficits that may occur or receipt of significant subsidies from the Township. Component units that do not meet the criteria for blending are reported discretely.

Based on the foregoing criteria, there were no organizations that need to be included in the Township's annual report.

PROPERTY TAX

Taxes levied on December 1, are payable on February 14. Summer taxes are levied July 1, and payable on September 14. The townships bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

PROPERTY TAX (CONTINUED)

The Township is permitted by the Municipal Finance law of the state to levy taxes up to 1.0 mill for general governmental services. .9123 mill is levied for general services and .9806 mill is levied for fire protection, and .4903 mill levied for fire equipment.

The delinquent real property taxes of the Township are purchased by the County of Shiawassee. The county sells tax notes, the proceeds of which are used to pay the Township for these delinquent taxes. This is expected to take place during June, 2004. These delinquent taxes have been recorded as revenue for the current year.

NOTE B - CHANGES IN GENERAL FIXED ASSETS

A schedule of changes in fixed assets is included in the individual financial statements section.

NOTE C - INTERFUND RECEIVABLES AND PAYABLES

At March 31, 2004, individual receivables and payable balances were:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$6,408	\$ -0-
Fire Fund	822	-0-
Current Tax Coll. Fund	-0-	8,136
Ambulance Fund	495	-0-
Fire Equipment Fund	<u>411</u>	<u>-0-</u>
	<u>\$8,136</u>	<u>\$8,136</u>

NOTE D - INVESTMENTS

The Township's deposits consist of interest bearing checking and savings accounts. At year end the carrying amount of the Township's deposits was \$624,760 and the bank balance \$106,940 was covered by Federal Depository Insurance. Michigan law does not require collateralization of government deposits.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE D - INVESTMENTS (CONTINUED)

The Township's investments at March 31, 2004, consisted of cash and certificates of deposit at one financial institution:

<u>INSTITUTION A</u>	<u>AMOUNT</u>	<u>FDIC INSURED</u>	<u>UNINSURED</u>
Checking-Demand	\$ 6,940	\$ 6,940	\$ -0-
Savings - Time	<u>617,820</u>	<u>100,000</u>	<u>517,820</u>
	<u>\$624,760</u>	<u>\$106,940</u>	<u>\$517,820</u>

A savings account in the amount of \$95,269 is restricted for Fire Equipment.

FINANCIAL STATEMENTS
OF
INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWNSHIP OF BURNS
GENERAL FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash in Bank	\$ 1,963	\$ 8,883
Cash in Bank - Savings	340,203	325,914
Cash - Imprest	-0-	50
Taxes Receivable	8,224	7,702
Due from Other Funds	<u>6,408</u>	<u>10,169</u>
	<u>\$356,798</u>	<u>\$352,718</u>

LIABILITIES

Accounts Payable	\$ 4,138	\$ 4,194
General Fund Balance	<u>352,660</u>	<u>348,524</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$356,798</u>	<u>\$352,718</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>		ACTUAL (OVER) UNDER BUDGET	<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		<u>ACTUAL</u>
REVENUES:				
Property Taxes	\$ 66,000	\$ 65,521	\$ 479	\$ 62,473
State Shared Rev.	200,000	205,893	(5,893)	224,456
Tax Admin. Fee	15,000	16,554	(1,554)	16,246
Interest Income	5,000	3,656	1,344	6,667
Other	<u>-0-</u>	<u>10,868</u>	<u>(10,868)</u>	<u>4,431</u>
TOTAL REVENUES	\$286,000	\$302,492	\$ (16,492)	\$314,273
EXPENDITURES:				
Township Board:				
Salaries	\$	\$ 2,395	\$	\$ 2,100
Supplies		251		389
Dues & Prof. Serv.		2,441		2,893
Education		686		654
Print. & Pub.		855		317
Audit		3,100		2,975
Misc.		126		279
Payroll Tax Exp.		<u>3,325</u>		<u>3,007</u>
TOTAL TWP. BOARD	\$ 15,000	\$ 13,179	\$ 1,821	\$ 12,614
Supervisor:				
Salaries	\$	\$ 11,350	\$	\$ 9,519
Mileage		<u>517</u>		<u>426</u>
TOTAL SUPERVISOR	\$ 12,000	\$ 11,867	\$ 133	\$ 9,945
Elections:				
Salaries	\$	\$	\$	\$ 2,649
Supplies				612
Mileage				402
Printing & Publ.				<u>197</u>
TOTAL ELECTIONS	\$ 4,000	\$ -0-	\$ 4,000	\$ 3,860
Assessor:				
Salaries	\$ 16,000	\$ 16,000	\$	\$ 15,000
Supplies	<u>3,000</u>	<u>2,212</u>	<u>788</u>	<u>2,156</u>
TOTAL ASSESSOR	\$ 19,000	\$ 18,212	\$ 788	\$ 17,156

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF BURNS
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>			<u>2003</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:					
Clerk:					
Salaries	\$	\$ 12,770	\$	\$ 12,807	
Supplies		288		1,116	
Mileage		<u>237</u>		<u>230</u>	
TOTAL CLERK	\$ 16,000	\$ 13,295	\$ 2,705	\$ 14,153	
Board of Review:					
Salaries	\$	\$ 750	\$	\$ 600	
TOTAL BD. OF REVIEW	\$ 800	\$ 750	\$ 50	\$ 600	
Treasurer:					
Salaries	\$	\$ 15,297	\$	\$ 12,941	
Supplies		7,322		4,360	
Mileage		<u>354</u>		<u>222</u>	
TOTAL TREASURER	\$ 23,000	\$ 22,973	\$ 27	\$ 17,523	
Building & Grounds:					
Utilities	\$	\$ 5,212	\$	\$ 4,904	
Capital Outlay		-0-		4,450	
Repair & Maint.		<u>3,029</u>		<u>3,679</u>	
TOTAL BUILDING & GROUNDS	\$ 14,500	\$ 8,241	\$ 6,259	\$ 13,033	
Library	\$ 1,100	\$ 1,100	\$ -0-	\$ 1,000	
Planning Comm.	1,000	335	665	495	
Cemetery	3,500	3,050	450	3,050	
Insurance	9,500	8,965	535	8,868	
Drains at Large	10,000	5,478	4,522	2,993	
Roads	195,000	189,774	5,226	153,356	
Street Lights	300	237	63	237	
Recycling	900	900	-0-	900	
Contingencies and Emergency Serv.	<u>11,000</u>	<u>-0-</u>	<u>11,000</u>	<u>-0-</u>	
TOTAL EXPENDITURES	\$ <u>336,600</u>	\$ <u>298,356</u>	\$ <u>38,244</u>	\$ <u>259,783</u>	

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF BURNS
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (50,600)	\$ 4,136	\$ (54,736)	\$ 54,490
Fund Balance April 1,	<u>348,524</u>	<u>348,524</u>	<u>-0-</u>	<u>294,034</u>
FUND BALANCE MARCH 31,	<u>\$297,924</u>	<u>\$352,660</u>	<u>\$ (54,736)</u>	<u>\$348,524</u>

The accompanying notes are an integral
part of the financial statements.

SPECIAL REVENUE FUNDS

FIRE FUND

Fire Fund is used to account for fees received and monies disbursed for Township fire protection.

FIRE EQUIPMENT FUND

Fire Equipment Fund is used to account for property tax levied to be used for purchasing fire equipment.

AMBULANCE FUND

Ambulance Fund is used to account for fees received and monies disbursed for Township ambulance service.

TOWNSHIP OF BURNS
COMPARATIVE SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004 AND 2003

	<u>2004</u>				<u>2003</u>
	<u>FIRE</u>	<u>FIRE EQUIPMENT</u>	<u>AMBULANCE</u>	<u>TOTALS</u>	<u>TOTALS</u>
ASSETS:					
Cash in Bank	\$ 2,998	\$ 1,387	\$	\$ 4,385	\$ 1,209
Cash - Savings	69,321	85,844	39,534	194,699	205,550
Taxes Rec.	7,103	3,551	6,705	17,359	16,155
Acc. Int. Rec.	-0-	-0-	-0-	-0-	130
Due from Other Funds	822	411	495	1,728	15,899
	<u>\$ 80,244</u>	<u>\$ 91,193</u>	<u>\$ 495</u>	<u>\$218,171</u>	<u>\$238,943</u>
RESTRICTED ASSETS:					
Cash-Savings	\$ 95,269	\$ -0-	\$ -0-	\$ 95,269	\$ 68,906
TOTAL ASSETS	<u>\$175,513</u>	<u>\$ 91,193</u>	<u>\$46,734</u>	<u>\$313,440</u>	<u>\$307,849</u>
LIABILITIES:					
Accts. Payable	\$ 1,084	\$ -0-	\$ -0-	\$ 1,084	\$ 594
FUND BALANCE:					
Reserved for Equip. Replacement	\$ 95,269	\$ 91,193	\$ -0-	\$186,462	\$154,408
Unreserved	79,160	-0-	46,734	125,894	152,847
	<u>\$174,429</u>	<u>\$ 91,193</u>	<u>\$46,734</u>	<u>\$312,356</u>	<u>\$307,255</u>
	<u>\$175,513</u>	<u>\$ 91,193</u>	<u>\$46,734</u>	<u>\$313,440</u>	<u>\$307,849</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
SPECIAL REVENUE FUNDS
COMPARATIVE COMBINING STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>				<u>2003</u>
	<u>FIRE</u>	<u>FIRE EQUIPMENT</u>	<u>AMBULANCE</u>	<u>TOTALS</u>	<u>TOTALS</u>
REVENUES:					
Property Taxes	\$ 70,453	\$35,223	\$ 58,830	\$164,506	\$159,380
Int. Income	1,901	448	85	2,434	3,419
Miscellaneous	<u>10</u>	<u>-0-</u>	<u>-0-</u>	<u>10</u>	<u>9,945</u>
TOTAL REVENUES	\$ 72,364	\$35,671	\$ 58,915	\$166,950	\$163,001
EXPENDITURES:					
Office Supp.	\$ 1,443	\$ -0-	\$ -0-	\$ 1,443	\$ 477
Fire Protect.	71,826	29,980	-0-	101,806	53,660
Ambulance Serv.	<u>-0-</u>	<u>-0-</u>	<u>58,600</u>	<u>58,600</u>	<u>42,197</u>
TOTAL EXPEND.	\$ <u>73,269</u>	\$ <u>29,980</u>	\$ <u>58,600</u>	\$ <u>161,849</u>	\$ <u>96,334</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (905)	\$ 5,691	\$ 315	\$ 5,101	\$ 66,667
Fund Balance April 1,	<u>175,334</u>	<u>85,502</u>	<u>46,419</u>	<u>307,255</u>	<u>240,588</u>
FUND BALANCE MARCH 31,	<u>\$174,429</u>	<u>\$ 91,193</u>	<u>\$ 46,734</u>	<u>\$312,356</u>	<u>\$307,255</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
COMPARATIVE BALANCE SHEET
MARCH 31, 2004 AND 2003

FIRE FUND

	<u>2004</u>	<u>2003</u>
ASSETS:		
Cash in Bank - Checking	\$ 2,998	\$ 646
Cash in Bank - Savings	69,321	92,766
Taxes Receivable	7,103	6,510
Accrued Interest Receivable	-0-	130
Due from Other Funds	<u>822</u>	<u>6,970</u>
	\$ 80,244	\$107,022
RESTRICTED ASSETS:		
Cash - Savings	<u>95,269</u>	<u>68,906</u>
TOTAL ASSETS	<u>\$175,513</u>	<u>\$175,928</u>
LIABILITIES:		
Accounts Payable	\$ 1,084	\$ 594
FIRE FUND BALANCE:		
Reserved for Equipment	\$ 95,269	\$ 68,906
Unreserved	<u>79,160</u>	<u>106,428</u>
	<u>\$174,429</u>	<u>\$175,334</u>
TOTAL LIABILITIES AND FIRE FUND BALANCE	<u>\$175,513</u>	<u>\$175,928</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2004 AND 2003

FIRE FUND

	<u>2004</u>		ACTUAL (OVER) UNDER	<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Property Taxes	\$ 66,000	\$ 70,453	\$ (4,453)	\$ 67,158
Interest Earned	2,500	1,901	599	2,708
Miscellaneous	<u>-0-</u>	<u>10</u>	<u>(10)</u>	<u>202</u>
TOTAL REVENUES	\$ 68,500	\$ 72,364	\$ (3,864)	\$ 70,068
EXPENDITURES:				
Salaries	\$ 28,000	\$ 26,729	\$ 1,271	\$ 18,690
Office Supplies	3,000	1,443	1,557	477
Fuel & Supplies	5,000	3,567	1,433	4,747
Insurance	9,304	9,304	-0-	7,760
Miscellaneous	6,500	3,617	2,883	1,199
Mileage	1,000	572	428	45
Repairs & Maint.	18,000	14,687	3,313	4,283
Educ. & Training	4,000	2,032	1,968	2,175
Equipment	18,000	9,265	8,735	7,126
Payroll Tax	<u>2,300</u>	<u>2,053</u>	<u>247</u>	<u>1,422</u>
TOTAL EXPEND.	\$ <u>95,104</u>	\$ <u>73,269</u>	\$ <u>21,835</u>	\$ <u>47,924</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	\$ (26,604)	\$ (905)	\$ (25,699)	\$ 22,144
Fund Balance				
April 1,	<u>175,334</u>	<u>175,334</u>	<u>-0-</u>	<u>153,190</u>
FUND BALANCE				
MARCH 31,	<u>\$148,730</u>	<u>\$174,429</u>	<u>\$ (25,699)</u>	<u>\$175,334</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
BALANCE SHEET
MARCH 31, 2004 AND 2003

FIRE EQUIPMENT FUND

	<u>2004</u>	<u>2003</u>
ASSETS:		
Cash in Bank - Checking	\$ 1,387	\$ 563
Cash in Bank - Savings	85,844	78,200
Assessment Receivable	3,551	3,255
Due from Other Funds	<u>411</u>	<u>3,484</u>
TOTAL ASSETS	<u>\$91,193</u>	<u>\$85,502</u>
 Fire Equipment Fund Balance	 <u>\$91,193</u>	 <u>\$85,502</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2004 AND 2003

FIRE EQUIPMENT FUND

		<u>2004</u>		<u>2003</u>
			ACTUAL (OVER) UNDER	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Assessment	\$ 38,500	\$35,223	\$ 3,277	\$33,572
Interest Earned	<u>500</u>	<u>448</u>	<u>52</u>	<u>563</u>
TOTAL REVENUES	\$ 39,000	\$35,671	\$ 3,329	\$34,135
EXPENDITURES:				
Equipment Purch.	\$ <u>60,300</u>	\$29,980	\$ <u>30,320</u>	\$ <u>6,213</u>
TOTAL EXPENDITURES	\$ 60,300	\$29,980	\$ 30,320	\$ 6,213
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$(21,300)	\$ 5,691	\$(26,991)	\$27,922
Fund Balance April 1,	<u>85,502</u>	<u>85,502</u>	<u>-0-</u>	<u>57,580</u>
FUND BALANCE MARCH 31,	\$ <u>64,202</u>	\$ <u>91,193</u>	\$ <u>(26,991)</u>	\$ <u>85,502</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
COMPARATIVE BALANCE SHEET
MARCH 31, 2004 AND 2003

AMBULANCE FUND

	<u>2004</u>	<u>2003</u>
ASSETS:		
Cash in Bank - Savings	\$39,534	\$ 34,584
Assessment Receivable	6,705	6,390
Due from Other Funds	<u>495</u>	<u>5,445</u>
TOTAL ASSETS	<u>\$46,734</u>	<u>\$ 46,419</u>
 AMBULANCE FUND BALANCE	 <u>\$46,734</u>	 <u>\$ 46,419</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2004 AND 2003

AMBULANCE FUND

	<u>2004</u>		ACTUAL (OVER) UNDER	<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Assessment	\$63,500	\$58,830	\$ 4,670	\$58,650
Interest Earned	<u>150</u>	<u>85</u>	<u>65</u>	<u>148</u>
TOTAL REVENUES	\$63,650	\$58,915	\$ 4,735	\$58,798
EXPENDITURES:				
Ambulance Service	\$58,600	\$58,600	\$ -0-	\$42,100
Legal & Misc.	<u>175</u>	<u>-0-</u>	<u>175</u>	<u>97</u>
TOTAL EXPENDITURES	\$ <u>58,775</u>	\$ <u>58,600</u>	\$ <u>175</u>	\$ <u>42,197</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	\$ 4,875	\$ 315	\$ 4,560	\$16,601
Fund Balance April 1,	<u>46,419</u>	<u>46,419</u>	<u>-0-</u>	<u>29,818</u>
FUND BALANCE MARCH 31,	\$ <u>51,294</u>	\$ <u>46,734</u>	\$ <u>4,560</u>	\$ <u>46,419</u>

The accompanying notes are an integral
part of the financial statements.

FIDUCIARY FUND

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax collections and to distribute such monies to the Township funds involved therein, and to other governmental agencies.

TOWNSHIP OF BURNS
CURRENT TAX COLLECTION FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS:		
Cash in Bank	\$ <u>13,523</u> \$ <u>13,523</u>	\$ <u>189,762</u> \$ <u>189,762</u>
LIABILITIES:		
Due to Other Funds	\$ 8,136	\$ 26,068
Due to Other Taxing Entities	<u>5,387</u> \$13,523	<u>163,694</u> \$189,762
FUND BALANCE	<u>-0-</u> \$ <u>13,523</u>	<u>-0-</u> \$ <u>189,762</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
CURRENT TAX COLLECTION FUND
COMPARATIVE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
BALANCE APRIL 1,	\$ 189,762	\$ 3,512
RECEIPTS:		
Current Property Taxes	\$1,499,033	\$1,463,186
Delinquent Property Taxes	4,539	4,170
Collection Fees	14,975	14,629
Dog Licenses	935	1,040
Interest Earned	438	927
Overpayments	8,008	2,754
Penalties	<u>1,970</u>	<u>326</u>
TOTAL RECEIPTS AND BEGINNING BALANCE	\$1,719,660	\$1,490,544
DISBURSEMENTS:		
Shiawassee County	\$1,214,927	\$ 949,137
Byron Schools	211,805	132,473
Durand Schools	30,505	23,661
General Fund	79,261	65,740
Fire Fund	69,680	53,842
Fire Equipment Fund	34,835	26,918
Ambulance Fund	57,105	46,845
Refunds & Returned Checks	<u>8,019</u>	<u>2,166</u>
TOTAL DISBURSEMENTS	\$1,706,137	\$1,300,782
BALANCE MARCH 31,	\$ <u>13,523</u>	\$ <u>189,762</u>

The accompanying notes are an integral
part of the financial statements.

GENERAL FIXED ASSET ACCOUNT GROUP

To account for fixed assets of
the Township.

TOWNSHIP OF BURNS
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
MARCH 31, 2004

ASSETS

Land and Buildings	\$177,423
Furniture and Fixtures	32,975
Fire Trucks	222,894
Fire Equipment	<u>209,164</u>
	<u>\$642,456</u>

FUND BALANCE

Investment in General Fixed Assets	<u>\$642,456</u>
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The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
GENERAL FIXED ASSETS GROUP OF ACCOUNTS
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
MARCH 31, 2004 TO MARCH 31, 2003

ASSETS

	<u>BALANCE</u> <u>3-31-03</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-04</u>
Land and Buildings	\$177,423	\$ -0-	\$ -0-	\$177,423
Furniture & Fixt.	32,975	-0-	-0-	32,975
Fire Trucks	205,643	17,251	-0-	222,894
Fire Equipment	<u>182,677</u>	<u>26,487</u>	<u>-0-</u>	<u>209,164</u>
	<u>\$598,718</u>	<u>\$43,738</u>	<u>\$ -0-</u>	<u>\$642,456</u>

The accompanying notes are an integral
part of the financial statements.



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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Burns Township
Shiawassee County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we discovered the following areas which required specific recommendation, as a result of the audit our firm performed on the financial statements of Burns Township for the year ended March 31, 2004.

GASB 34

The Government Accounting Standard Board issued Statement #34. This statement significantly changes governmental financial reporting. It requires reporting of infrastructure, including related depreciation and it requires management discussion and analysis of the government's financial condition. The effective date of this statement is March 31, 2005 for the Township of Burns.

The State of Michigan has indicated it will not enforce compliance with GASB 34. We will, at a later time, itemize both the advantages and disadvantages to the Township of Burns's compliance with this statement.

We wish to thank the board for the excellent cooperation we received in performing the township audit. If we can be of any further assistance to the township please contact us.

Sincerely,

Demis and Wenzlick, P.C.

Certified Public Accountants

Owosso, Michigan
July 19, 2004